



Louisiana Housing Finance Agency

**Full Board Meeting Minutes
Board of Commissioners
Louisiana Housing Finance Agency**

**Wednesday, June 9, 2010
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
12:00 p.m.**

Commissioners Present

Michael L. Airhart
Mayson H. Foster
Donald B. Vallee
Elsenia Young
Katie Anderson
Guy T. Williams
Joseph Scontrino, III
Jerome Boykin, Sr.
Allison A. Jones
John N. Kennedy (12:19pm-1:02pm)
Alice Washington obo John N. Kennedy
Tyrone A. Wilson (arrival at 12:07pm)
Susan Sommer

Commissioners Absent

J. Mark Madderra
Walter O. Guillory
Neai Miller

Legal Counsel Present

Wayne Neveu, Foley & Judell
Edselle Keith Cunningham, Jr.
Christine Bratkowski
Leslie C. Strahan
Jessica Guinn

Staff Present

Barry E. Brooks
Milton Bailey
Alesia Wilkins-Braxton
Charlette Minor
Loretta Wallace
Brenda Evans
Rebekah Ward
Annie Clark
Roger Tijerino
Wendy Hall
Alex Stewart
Rene Landry
Mary Antoon
Collette Mathis
Jeff DeGraff
Eddie Falgoust
Amy York
Joe Durnin
Marjorianna Willman

Others Present

See Sign-In Sheet

CALL TO ORDER

Chairwoman Allison A. Jones called the meeting to order at 12:00pm; Board Coordinator Barry Brooks did the roll call; BC Brooks advised Chairwoman Jones that a quorum was established. There was thereafter an introduction of guests.

APPROVAL OF MINUTES

On a motion by Commissioner Donald B. Vallee, and seconded by Commissioner Guy T. Williams, the minutes of the Full Board Meeting held May 12, 2010 were approved. There being no further discussions or oppositions, the motion passed unanimously.

CHAIRMAN'S REPORT

Chairwoman Jones noted her support and prayers for the Gulf Coast Oil Spill communities.

She also noted that on June 8th the Agency has been elevated to an A-1 rating, and that such would result in better financing rates, reduce the Agency's financing costs, that it was a great accomplishment given all the hurdles post-hurricanes and the national economic recession; and she extended congratulations to CFO Rene Landry and the rest of the Agency staff and the development community for all their hard work to the accomplishment

PRESIDENT'S REPORT

LHFA President Milton J. Bailey his thoughts, prayers, and sadness regarding the Gulf Oil Spill Crisis, in particular to the fishing communities and supplies in the region. He also advised the BOC that the Agency was ready to assist wherein possible.

President Bailey also noted the credit rating accomplishments of the Agency, and thanks CFO Landry and the rest of the staff for the achievement, and likewise thanked the BOC and Agency Financial Advisors for their diligent oversight.

He introduced Kelly Longwell and Annie Clark who gave a brief update on PIS and the Extension legislation pending at Capitol Hill.

Ms. Clark noted that PIS was for two years and was in the Tax Extenders Bill, but that the Exchange bill is not in either; she requested that everyone call their legislative contacts on HB 4213; and finally she noted that the Midwest was pushing the Exchange bill also.

Ms. Longwell noted that Representative Cao was the only Republican who had voted for the bill; that it does not included the GO Zone credits but that Senator Bayhi may add it in as an amendment to the bill.

President Bailey reiterated the need to get grassroots efforts going on the matters. He also noted there could be \$536M in total economic development benefits to the state if PIS passed. And, that there could be a \$940M impact for both passages of legislation.

He also noted that HB 1414 is headed to a subcommittee at the Capital on the Thursday June 10th at 9:30am in Senate Room F. He noted that the bill would be adding two more Board members and that there would be budgetary oversight by the Joint Committee on the Budget, if approved.

Chair Jones noted her support for the PIS and 1602 Exchange matters and thanked everyone for their hard work on the matters and efforts thereof.

She then asked that the Budget and Finance Committee be heard before the Human Resource Committee.

BUDGET AND FINANCE COMMITTEE

BFC Chair Mayson H. Foster advised everyone that the Committee had met earlier and discussed the LHFA 2010-2011 Operating Budget, and that info thereof was in the binders. He noted that the income, revenues, expenses, etc., had all been reviewed for the past couple of months and had resulted in substantial cuts.

CFO Landry reiterated that the budget had been fully vetted by everyone and thereafter went over the pertinent specifics parameters thereof.

BFCC Foster noted major cuts as follows: \$200K to travel and training, \$150K to building bond interest, \$98K to legal services, and \$300K to professional services. He also thanked Commissioner Donald B. Vallee for his efforts and help during the budget review process.

Commissioner Vallee noted that the staff had been very accommodating to his requests and participation in the budget review process. He also noted that going forward that each month there would be performance/operational reviews of each program; that without the \$65M investments and properties the Agency would have an operational loss of \$3M; noted that Agency has reserve requirements that must also be adhered to; that CFO Landry would be doing quarterly reports to the BOC on the State of the LHFA Budget.

On a motion by Commissioner Mayson H. Foster and seconded by Commissioner Donald B. Vallee, the BOC adopted the Louisiana Housing Finance Agency Operating Budget for the Fiscal Year Ending June 30, 2011 (labeled Exhibit A, entitled "Louisiana Housing Finance Agency Fiscal Year Ending June 30, 2011 Operating Budget"); and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

HUMAN RESOURCE COMMITTEE

HRC Chair Tyrone A. Wilson and LHFA Human Resource Director Terry Holden went over the 2010 Staffing Plan. Director Holden noted that there were a total of 133 employees, with 2 current vacancies that would be filled internally. He also noted there had been ten (10) new programs added at the Agency in the past year.

There was discussion thereafter on the parameters of the recent Governor's Executive Order on a hiring freeze. LHFA General Counsel noted that the GEO was specific to those aligned under the Executive Budget, and that the LHFA had no current official hiring freeze in place.

President Bailey advised the BOC that though there was no official Agency hiring freeze, that he was respective of the GEO and only increased staff wherein a new program dictated such; and that his goal has always been to move internal staff wherein needed, even though the LHFA was exempt for the parameters of the GEO on hiring freezes.

Commissioner Vallee requested a Legal Opinion on the aforementioned matter be done.

President Bailey noted also that no unclassified employee has received a merit since the GEO thereof was issued.

There was further discussion on the GEO parameters via Commissioners Vallee and Kennedy, Ms. Ricks, and Mr. Holden.

Commissioner Kennedy requested info on how many employees received merit increases in the past five (5) years. He also requested details on any recipients of the Agency's Employee Awards and Recognition policy from the past five (5) years likewise.

On a motion by Commissioner Tyrone A. Wilson and seconded by Commissioner Donald B. Vallee, the BOC adopted the Louisiana Housing Finance Agency Staffing Plan for the Fiscal Year Ending June 30, 2011 and delegating the LHFA President the powers of appointing authority such as are contemplated by the Rules of the State Civil Service Commission; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

ENERGY ASSISTANCE COMMITTEE

EAC Chair Katie Anderson noted that the EAC had met earlier, and that the Energy Programs Activity reports were in the Board binders, and that there were no action items.

EACC Anderson also advised the BOC that the previous subgrantees that were underachieving were back on tracking and progressing well.

She also noted that LACAP has received an additional grant from DOE for training.

Chair Jones noted that the EA programs were doing well; that she was very impressed with LACAP, EACC Anderson, and the LHFA staff for making sure everything was progressing efficiently and effectively.

SINGLE FAMILY COMMITTEE

SFC Chair Michael L. Airhart noted the SFC had met earlier. He noted that at the recent LHFA Homeownership Fair held at Cortana Mall in Baton Rouge, there were 250+ attendees and 30 booths. He thanked Agency Public Information Director Jeff DeGraff for coordinating the event; and noted that there were two more similar events planned in June for Alexandria and Monroe.

SFCC Airhart also noted there was 2.9% interest money available, and thanks Brenda Evans, Mary Antoon, and the Agency Finance Team for their achievements thereof. He noted that he was aware of a lender who would be rolling out a video email announcing the Single Family Bond Program to everyone, including 1,200 real estate agents.

LHFA Program Administrator Brenda Evans noted that the 2009 Program and Whole Loan Report items were in the binders, and she briefly discussed them.

Ms. Evans next discussed the Underwriters Proposals. She advised everyone that the proposals were still being reviewed by the Underwriters Selection Group, that there would be presentations in July.

SFCC Airhart noted that the next item on the agenda, the contract between LHFA and selected Bond Counsel, was being **DEFERRED**.

Next item discussed was the resolution for the Trustee RFP. Ms. Evans went over the specific parameters of the matter. She noted that the SFC had created a Review Team that would be establishing the scoring criteria.

On a motion by Commissioner Michael L. Airhart and seconded by Commissioner Elsenia Young, the resolution authorizing the Louisiana Housing Finance Agency ("Agency") to release a Request for Proposals (RFP), seeking proposals from investment banking firms to serve as Trustee for the Single Family Finance Team; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

Next item discussed was the resolution for the Master Servicer RFP. Ms. Evans went over the specific parameters of the matter.

On a motion by Commissioner Michael L. Airhart and seconded by Commissioner Joseph, the resolution authorizing the Louisiana Housing Finance Agency ("Agency") to release a Request for Proposals (RFP) seeking proposals from mortgage servicing firms to serve as Master Servicer for the Single Family Finance Team; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

SPECIAL PROGRAMS HOME COMMITTEE

In the absence of SPHC Chair Walter O Guillory, Chair Allison Jones noted that the first item discussed was the Reconciliation Update PR-27. LHFA Program Administrator Charlette Minor briefly went over the specifics thereof.

Next item discussed was the resolution awarding HOME-CHDO Set-Aside funds. Ms. Minor went over the program guidelines, allocations, and obligation parameters.

Thereafter, Commissioner Vallee noted that he'd like to see the funding spread around and not concentrated in any one particular area or with one particular agency or CHDO; and that he'd like the Agency to do more with assisting the CHDO's with certification and training. Ms. Minor went over the Agency's CHDO training and certification programs currently available, noting the recent January and February 2010 trainings held at LHFA.

On a motion by Commissioner Katie Anderson and seconded by Commissioner Joseph M. Scontrino, III, the resolution awarding HOME-CHDO Set-Aside funds to projects on the attached HOME CHDO Program Notice of Funding 2009/2010 Recommended Awards List (labeled Exhibit A); and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter passed. There was ONE ABSTAIN vote from Commissioner Elsenia Young.

Next item discussed was the resolution implementing a competitive process to re-allocate recaptured NSP award funds. Chair Jones went over the matter noting the historical aspects of the program and that the Agency had been given \$34M for foreclosed properties and that the resolution was setting out the terms for obligation thereof. She noted that at the July BOCM it would be decided what to recapture in order to adhere to the program deadlines.

Commissioner Williams inquired as to what was the difference between a foreclosed and a abandoned properties, particularly in the New Orleans area. Ms. Minor noted that the Agency used the HUD definition as the guideline.

Next item discussed was the resolution regarding Hubbard House. LHFA Program Administrator Loretta Wallace went over the specifics of the matter. She noted that the request was not for an extension, but that the applicant had run out of money and this was from funds that had been returned by other participants.

Commissioner Donald B. Vallee requested a report on how the Housing Trust Fund monies have been used and awarded.

On a motion by Commissioner Katie Anderson and seconded by Commissioner Elsenia Young, a resolution to grant a waiver of the Housing Trust Fund requirement of proof of a firm commitment and a waiver from the requirement that a project's annual operating expense per unit not exceed 10% of the average cost based on region and project type for Hubbard House (2255 Mason Avenue, Baton Rouge, East Baton Rouge Parish, Louisiana); and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

Vice Chairman Airhart noted that he had recently attended the Acadia Trace Apartments groundbreaking event, and was very impressed with the development aspects.

MULTIFAMILY RENTAL HOUSING COMMITTEE REPORT

MFC Chair Guy T. Williams, noted that the Committee had met earlier and that the first item to be discussed was a resolution regarding Fischer III. Ms. Evans went over the specifics of the matter.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Donald B. Vallee, the resolution authorizing the addition of one hundred eighty-seven thousand, six hundred sixty-three dollars (\$187,663.00) in 4% Low Income Housing Tax Credits for a total reservation of nine hundred eight thousand, nine hundred thirty-eight dollars (\$908,938.00) of 4% Low Income Housing Tax Credits to Fischer III, (2135 L.B. Landry Blvd., Orleans Parish, Louisiana); and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

Next item discussed was the resolution regarding Guste I. Ms. Evans went over the specifics of the matter. She noted staff had reviewed the matter and was recommending approval.

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Katie Anderson, the resolution authorizing the addition of one hundred eighteen thousand, eighty-four dollars (\$118,084.00) in 4% Low Income Housing Tax Credits for a total reservation of six hundred seventeen thousand, eight hundred seventy-one dollars (\$617,871.00) of 4% Low Income Housing Tax Credits to Guste I, (1301 Simon Bolivar Blvd., Orleans Parish, Louisiana); and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

Next item discussed was the amendment to the professional services contract of Foley and Judell, LLP. Ms. Evans went over the specifics, noting that amendment was only until September 30th so that the current RFP process could conclude with no interruptions or delays.

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Guy T. Williams, the next three (3) resolutions on the Agenda were done In Globo.

1) Resolution to authorize the amendment of the professional services contract of Foley and Judell, LLP, extending the contract term to September 30, 2010; and providing for other matters in connection therewith,

2) Resolution regarding the RFP for Low Income Housing Tax Credit Program Financial Analysis Underwriting Consultant; and providing for other matters in connection therewith, and

3) Resolution regarding the RFP for Low Income Housing Tax Credit Program Special Tax Counsel; and providing for other matters in connection therewith.

And providing for other matters in connection with the foregoing three (3) Resolutions, were adopted. There being no further discussions, oppositions, or public comments the matters unanimously passed.

Next item discussed was the resolution regarding an extension of submission of Carryover Allocation Documentation requirements as stipulated in the 2009 QAP. Ms. Evans went over the specifics. MFCC Williams noted that the Committee was recommending approval of the resolution.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Donald B. Vallee, the resolution authorizing an extension of submission of Carryover Allocation Documentation requirements as stipulated in the 2009 QAP by Louisiana Housing Finance Agency (the "Agency") with respect to projects awarded under such QAP including 1602 Exchange Projects; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

MFCC Williams advised the BOC that the Agency still needed LRA's market study; and that he was sending a letter to New Orleans Mayor Mitch Landrieu for his input, being cognizant that the QAP was on a tight schedule.

MFCC Williams also noted that the PIS extension for two (2) years would allow the Agency to review all projects and develop open plans and procedure to approve or deny PIS extension requests.

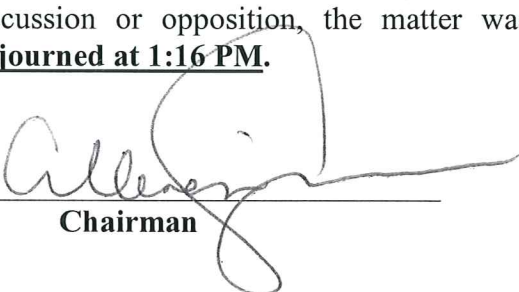
Commissioner Donald B. Vallee requested that the public get their comments in regarding the need for any QAP enhancements.

OTHER BUSINESS

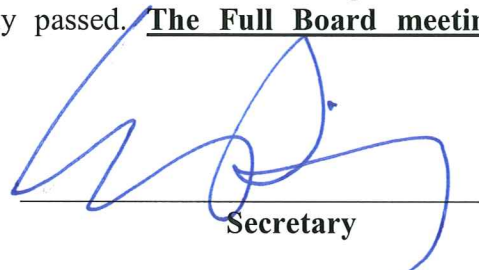
N/A

ADJOURNMENT

There being no other matters to discuss, Commissioner Katie Anderson offered a motion for adjournment that was seconded by Commissioner Tyrone A. Wilson. There being no further discussion or opposition, the matter was unanimously passed. **The Full Board meeting adjourned at 1:16 PM.**



Chairman



Secretary